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CITY CLERK DEPT.

2016 MAY 27 AM 11:11

**CITY OF PHOENIX
CITY COUNCIL POLICY SESSION
2:30 P.M. TUESDAY, MAY 17, 2016
CITY COUNCIL CHAMBERS
200 WEST JEFFERSON STREET**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the City Council and to the general public that the City Council will hold a meeting open to the public at 2:30 p.m. on Tuesday, May 17, 2016 located in the City Council Chambers, 200 West Jefferson Street, Phoenix, Arizona.

**THE TIMES LISTED FOR AGENDA ITEMS ARE ESTIMATED.
ITEMS MAY BE DISCUSSED EARLIER OR IN A DIFFERENT SEQUENCE.**

Mayor Stanton called the meeting to order at 2:34 p.m. Councilmembers Thelda Williams, Jim Waring, Bill Gates, Laura Pastor, Daniel Valenzuela, Sal DiCiccio, Michael Nowakowski, and Vice Mayor Kate Gallego were in attendance.

**ESTIMATED COUNCIL INFORMATION AND
1. 2:30 P.M. FOLLOW-UP REQUESTS**

This item is scheduled to give City Council members an opportunity to publicly request information or follow up on issues of interest to the community. If the information is available, staff will immediately provide it to the City Council member. No decisions will be made or action taken.

CONSENT AGENDA

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. The Consent Agenda has been publicly posted.

Action Taken:

There was no consent agenda.

CALL FOR AN EXECUTIVE SESSION

A vote to call an Executive Session may be held.

Action Taken:

Vice Mayor Gallego made a motion that the City Council, pursuant to Arizona Revised Statutes, Section 38-431.02.A, meet in Executive Session on Tuesday, June 21, 2016 at noon in the East Conference Room, 12th Floor of the Phoenix City Hall, 200 West

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Washington Street, Phoenix, Arizona; and on Wednesday, June 29, 2016 at 10:00 a.m. in the East Conference Room, 12th Floor of the Phoenix City Hall, 200 West Washington Street, Phoenix, Arizona.

Councilwoman Williams seconded the motion, which passed 9 to 0.

REPORTS AND BUDGET UPDATES BY THE CITY MANAGER

This item is scheduled to allow the City Manager to report on changes in the City Council Agenda and provide brief informational reports on urgent issues. The City Council may discuss these reports but no action will be taken.

Action Taken:

There was no report.

Formal Actions, Ordinances and Resolutions

The City Council Policy meeting transitioned to a Formal meeting for action on Items 2 – 6.

City Clerk Cris Meyer called the roll with the following Councilmembers present: Sal DiCiccio, Bill Gates, Michael Nowakowski, Daniel Valenzuela, Jim Waring, Thelda Williams, Vice Mayor Kate Gallego, and Mayor Greg Stanton. Councilwoman Laura Pastor was not present for roll call.

Mr. Meyer read the required 24-hour paragraph regarding the resolutions for Items 2-6.

ESTIMATED
2. 3:00 P.M.

PUBLIC HEARING AND
FORMAL ACTION ON
CONTRACT WITH UNIT 1 –
LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA,
(LIUNA), LOCAL 777

Staff:
Zuercher/Johnson/Bezaury
(Presentation: 5 min.,
Estimated Total Time:
10 min.)

This item is for information, discussion and possible action.

Action Taken:

Mayor Stanton declared the public hearing open for Item 2. Noting there was no one present wishing to speak, he declared the public hearing closed.

Vice Mayor Gallego made a motion to approve Item 2. Councilwoman Williams seconded the motion.

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Councilman DiCiccio did not think all job functions were the same and did not agree with police officers having the same pay scale, raises, or restorations as other employees. He expressed it had never been more precarious today for police officers as they were targeted around the country. The Police Department had endured being down 500-600 officers which put them in situations where they were being mocked or targeted based on rhetoric. He thought officers should not only have their pay restored but also receive a pay raise.

Councilwoman Pastor returned to the voting body.

Councilman Waring based his comments on all five contracts. He expressed the property tax was going to be raised to give pay raises. Also, he was concerned about the three-year nature of these agreements as these were typically two-year contracts. He stated if something happened between years two and three taxpayers would still have to honor the contracts which conveyed an increased risk. He appreciated all of the work that went into this but he was not supportive of the items.

Councilman Nowakowski expressed support for all five items. In 2010 Council asked the employees for help because the City was looking at a \$200 million-plus deficit, noting most programs were saved. He stated employees were working hard to make Phoenix the best run city in the country. He believed it was time to honor their word, especially since there was a surplus, and return the six percent cut. He thanked employees for their hard work and continued customer service. Further, he thanked his colleagues who had been supportive of this matter.

Councilman Valenzuela also said he supports all five contracts. He kept hearing about how one group deserved more than another; however, job titles were tied to different salaries. He felt this discussion was about restoring 4.2 percent over three years based on a person's income since everyone was not paid the same salary. This was an opportunity while moving the economy forward to do the fair thing and give employees back the 4.2 percent concession over three years.

Councilwoman Williams stated she was a firm believer that the primary job of government was public safety and infrastructure. She commented police and fire were public safety but other employees provided the same service, such as providing good streets, having a well-run airport, safe drinking water, and neighborhood services staff enforcing residents to cut their weeds. She thought it was fair to step up and restore employees' wages and benefits.

Councilwoman Pastor clarified this would restore the 4.2 percent employees sacrificed back in 2010. She based her decisions by looking at many different perspectives and those that worked for the City of Phoenix were family and everybody had a role. She felt

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Council's action to restore what employees gave up was helping family. She said this was the fair thing to do for all employees and was also supportive of all five contracts.

Vice Mayor Gallego commented police work was always dangerous and wanted to continue to have honest dialogues about public safety. There were a number of jobs that were dangerous and she recognized that employees put themselves on the line to maintain a safe community and infrastructure. In fact, District 8 had significant storms and employees were out there making sure streets were passable and homes were not impacted as much as possible. She stated it was a puzzle that worked together and all of the pieces were needed.

Mayor Stanton stated Mr. Jason Stokes submitted a speaker comment card in favor of Items 2-4, but did not wish to speak.

Roll Call:	Ayes:	Nowakowski, Pastor, Valenzuela, Williams, Vice Mayor Gallego, and Mayor Stanton
	Nays:	DiCiccio, Gates, and Waring
	Absent:	None

The motion to approve Item 2 passed 6 to 3.

ESTIMATED
3. 3:15 P.M.

PUBLIC HEARING AND
FORMAL ACTION ON
CONTRACT WITH UNIT 2 –
AMERICAN FEDERATION OF
STATE, COUNTY, AND
MUNICIPAL EMPLOYEES,
(AFSCME), LOCAL 2384

Staff:
Zuercher/Johnson/Bezaury
(Presentation: 5 min.,
Estimated Total Time:
10 min.)

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This item is for information, discussion and possible action.

Action Taken:

Mayor Stanton declared the public hearing open for Item 3. He noted Mr. Jason Stokes and Mr. Marshall Pimentel submitted speaker comment cards in favor, but did not wish to speak. Noting there was no one present wishing to speak, Mayor Stanton declared the public hearing closed.

Vice Mayor Gallego made a motion to approve Item 3. Councilwoman Williams seconded the motion.

Roll Call:	Ayes:	Nowakowski, Pastor, Valenzuela, Williams, Vice Mayor Gallego, and Mayor Stanton
	Nays:	DiCiccio, Gates, and Waring
	Absent:	None

The motion to approve Item 3 passed 6 to 3.

ESTIMATED
4. 3:30 P.M.

PUBLIC HEARING AND
FORMAL ACTION ON
CONTRACT WITH UNIT 3 –
AMERICAN FEDERATION OF
STATE, COUNTY AND
MUNICIPAL EMPLOYEES
(AFSCME), LOCAL 2960

Staff:
Zuercher/Johnson/Bezaury
(Presentation: 5 min.,
Estimated Total Time:
10 min.)

This item is for information, discussion and possible action.

Action Taken:

Mayor Stanton declared the public hearing open for Item 4. He noted Mr. Jason Stokes, Ms. Louisa Pedraza, Ms. Debra Novak-Scott, Ms. Angie Hernandez, and Mr. Frank Piccioli submitted speaker comment cards in favor, but did not wish to speak. Noting there was no one present wishing to speak, Mayor Stanton declared the public hearing closed.

Vice Mayor Gallego made a motion to approve Item 4. Councilwoman Williams seconded the motion.

Roll Call:	Ayes:	Nowakowski, Pastor, Valenzuela, Williams, Vice Mayor Gallego, and Mayor Stanton
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Nays: DiCiccio, Gates, and Waring
Absent: None

The motion to approve Item 4 passed 6 to 3.

ESTIMATED
5. 3:45 P.M.

PUBLIC HEARING AND
FORMAL ACTION ON
CONTRACT WITH UNIT 4 -
PHOENIX LAW
ENFORCEMENT ASSOCIATION
(PLEA)

Staff:
Zuercher/Johnson/Bezaury
(Presentation: 5 min.,
Estimated Total Time:
10 min.)

This item is for information, discussion and possible action.

Action Taken:

Mayor Stanton declared the public hearing open for Item 5. Noting there was no one present wishing to speak, he declared the public hearing closed.

Vice Mayor Gallego made a motion to approve Item 5. Councilwoman Pastor seconded the motion.

Roll Call: Ayes: DiCiccio, Nowakowski, Pastor,
Valenzuela, Williams,
Vice Mayor Gallego, and
Mayor Stanton
Nays: Gates and Waring
Absent: None

The motion to approve Item 5 passed 7 to 2.

ESTIMATED
6. 4:00 P.M.

PUBLIC HEARING AND
FORMAL ACTION ON
CONTRACT WITH UNIT 5 –
INTERNATIONAL
ASSOCIATION OF FIRE
FIGHTERS (IAFF), LOCAL 493

Staff:
Zuercher/Johnson/Bezaury
(Presentation: 5 min.,
Estimated Total Time:
10 min.)

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Action Taken:

Mayor Stanton declared the public hearing open for Item 6. He noted Mr. Steve Beuerlein submitted a speaker comment card in favor, but did not wish to speak. Noting there was no one present wishing to speak, Mayor Stanton declared the public hearing closed.

Vice Mayor Gallego made a motion to approve Item 6. Councilwoman Pastor seconded the motion.

Roll Call:	Ayes:	DiCiccio, Nowakowski, Pastor, Valenzuela, Williams, Vice Mayor Gallego, and Mayor Stanton
	Nays:	Gates and Waring
	Absent:	None

The motion to approve Item 6 passed 7 to 2.

Mayor Stanton added the following individuals submitted speaker comment cards in favor of Item 2 and did not wish to speak: Ms. Jennifer Wozniak, Mr. Richard Murillo, Mr. Robert Reidenbach, and Mr. Rufino Uribe.

ESTIMATED 2016-17 CITY OF PHOENIX
7. 4:15 P.M. BUDGET APPROVAL

Staff: Zuercher/Barton
(Presentation: 5 min.,
Estimated Total Time:
30 min.)

This item is for information, discussion and possible action.

Action Taken:

The City Council Formal meeting transitioned back to a Policy meeting for action on Item 7.

City Manager Ed Zuercher introduced Budget and Research Director Jeff Barton and Chief Financial Officer Denise Olson. Mr. Zuercher discussed the financial budgetary goals to achieve a balance between long-term revenue stability, restoration of employee concessions, and responding to community needs. He reviewed the budget process calendar and noted the process had included two months of public dialogue. He thanked the City Council for supporting a transparent budget process.

Mr. Zuercher provided an overview of the City Manager's Proposed Budget. He stated the proposed budget allowed for restoration of critical services, restored employee

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concessions, assumed a property tax increase from \$1.82 to \$2.17, maintained the City of Phoenix's positive credit rating, and would not reduce General Fund programs and services. He noted even with the proposed property tax increase, residents would be paying less property tax than they did in 2009. Mr. Zuercher discussed the \$60.1 million budget surplus. He stated the surplus funds would address critical public safety needs, restoration of employee concessions, and increase community services.

Mr. Zuercher reviewed the changes between the City Manager's Proposed Budget and the Trial Budget. He stated the proposed changes included extending the implementation of body cameras over a four-to-five year period, restoring employee concessions over three years, reduction of the debt service for the North Mountain Tower project, and additional funding for community services and programs.

Mr. Zuercher discussed the funding for the proposed changes in the area of public safety enhancements. He noted the proposed debt service for the North Mountain Tower project would be reduced by \$285,000. Mr. Zuercher also discussed the change in employee concessions, adding the change was 4.2 percent over three years instead of partial restoration of 2.6 percent over two years. He explained employee restoration would cost about \$50 million over the first two years, which would be allocated in a reserve budget based on the \$60 million surplus. Mr. Zuercher then discussed the restorations of prior cuts and expanded services, which included, electronic media for the library, blight maintenance, public art, homeless shelters, and economic development. He stated additional funding would be directed toward disengaged youth and veterans services.

Mr. Zuercher thanked the City Council for supporting an open and transparent budget process and for their feedback. Mr. Zuercher reviewed the budget process calendar, noting legal budget adoption actions were required on June 1, June 15, and July 1.

James Arwood, Arizona State University student, requested a four-hour time limit for the meters proposed for Roosevelt Street. Mr. Arwood stated a four-hour limit would allow students to park and attend classes without getting ticketed.

Craig Tribken expressed support for the City Manager's Proposed Budget. Mr. Tribken commented on the additional services for the homeless. Vice Mayor Gallego asked what indicators are used to measure success in the effort to end homelessness. Mr. Tribken responded the length of time taken to triage a homeless individual out of a facility is the best indication of a successful program.

Reverend Reginald Walton requested the City Council approve the City Manager's Proposed Budget. Reverend Walton expressed support for the implementation of body cameras.

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Richard Rea expressed support for the City Manager's Proposed Budget, adding the budget addressed the need to restore employee concessions.

Mamie Coffey, Director of Camp Colley, thanked Councilmembers for support of youth programs. Ms. Coffey expressed support for the City Manager's Proposed Budget and additional community services.

Michael Johnson thanked the Councilmembers for including the public in the budget process facing difficult decisions. Mr. Johnson expressed support for the increased property tax, body camera implementation, and the City Manager's Proposed Budget.

Clovis Campbell expressed support for the City Manager's Proposed Budget and thanked the City Council for the transparency during the budget process. Mr. Campbell made comments on the safety benefits of body cameras.

Jadestrom Shamsid-Deen expressed support for additional funding for youth services. Ms. Shamsid-Deen encouraged the City Council to invest in youth summer programs.

Suzanne Thraen made comments on the need to implement body cameras, adding body cameras offer protection to residents and officers. Ms. Thraen stated first responders deserved all available safety resources.

Mark Scher, Phoenix Association of Realtors, stated opposition to the proposed property tax increase, adding the tax discourages home ownership. Mr. Scher requested the City Council develop an alternate budget option that did not increase property taxes.

Warren Stewart stated body cameras offer protection to officers, build community trust, assist in litigation, and create additional jobs for the City.

Judy Guils, Friends of Phoenix Public Art, stated the additional funding for public art in the City Manager's Proposed Budget would support restoration and maintenance of public art.

Jenny Strickland expressed support for additional funding for public art.

Dianne Barker opposed increasing property tax and encouraged the City Council to develop an alternate revenue source.

Channel Powe expressed support for City Manager's Proposed Budget and funding for body cameras. Ms. Powe provided statistics on effectiveness of body cameras. She stated after the implementation of body cameras in Rialto, California, citizen complaints

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declined 88 percent and were down 53 percent in Orlando, Florida. She added the implementation of body cameras increase transparency and build community trust.

Joanne Scott Woods expressed support for body camera funding.

Carole Coles-Henry requested City Council approve the City Manager's Proposed Budget. Ms. Coles-Henry thanked Mr. Zuercher for establishing the Community Police Trust Initiative and supporting public safety best practices. She encouraged implementing body cameras in three years.

Calvin C. Goode stated he was in favor of body cameras and requested City Council approve the City Manager's Proposed Budget.

Mel Hannah, Arizona Commission of African American Affairs, expressed support for the City Manager's Proposed Budget and the recommendation to implement body cameras.

Derrence White, Balsz School District Board President, stated body cameras would increase community trust and encourage transparency. Mr. White thanked all first responders for their service.

Talonya Adams expressed support for the City Manager's Proposed Budget and the implementation of body cameras.

Dr. Ann Hart, NAACP, expressed her support for body cameras. Dr. Hart stated body cameras would be effective in reducing situational communication errors.

Tom Chapman expressed support for the City Manager's Proposed Budget and increasing funding for public art.

Benjamin Taylor expressed support for the City Manager's Proposed Budget. Mr. Taylor stated he supported implementing body cameras and added the cameras could be a useful tool in litigation.

Mark Robert Gordon, Friends of Phoenix Public Art, commented on the costs related to maintaining public art and expressed support for the City Manager's Proposed Budget. Mr. Gordon also stated his support for body cameras.

Bill Shepard expressed support for the City Manager's Proposed Budget and additional funds for public art restoration and maintenance.

Rex Galbranson thanked the City Council for supporting local arts and for the additional funding for general operating for arts grant.

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Barry McCain made comments related to the safety benefits of body cameras for officers and citizens.

Charlene Tarver, President of 100 Black Women, thanked Mr. Zuercher for his leadership and commitment to body cameras. Ms. Tarver stated body cameras would assist in evidence collection, litigation, and increase community trust. She encouraged the City Council to implement a three-year body camera implementation plan.

Gail Knight requested the City Council approve the City Manager's Proposed Budget and the implementation of body cameras.

Councilwoman Williams commented on the transparency of the budget process.

Councilman Waring asked if the property tax increase was built into the proposed budget. Mr. Zuercher stated the City Manager's Proposed Budget assumes a property tax increase to address debt service obligations, restores employee compensation over a three-year period, and provides service restoration and some service additions to the community. Councilman Waring asked if the \$2.8 million cost associated with Electronic Patient Records (ePCR) compliance was overstated. Mr. Zuercher responded that currently ambulance providers do not face penalties for non-compliance, adding any possible imposed fines could result in lost revenue to the General Fund. He stated the ePCR system would ensure a greater quality of service. Councilman Waring expressed frustration over the dissemination of information on costs related to the ePCR system. Councilman Waring asked if additional police officers could be hired for the same cost as budgeted for the implementation of body cameras. Mr. Zuercher responded the proposed budget reflects the ongoing costs associated with implementing body cameras over a five-year span. Councilman Waring stated he would rather use funds to hire additional police officers.

Councilman Waring made comments about the recent transit tax and water rate increase. Councilman Waring stated he was not in support of the City Manager's Proposed Budget.

Councilman Gates thanked Mayor Stanton for supporting a transparent budget process and staff for their efforts in creating the proposed budget. He stated he was supportive of the proposed funding for homeless services and public art. He expressed opposition to the proposed property tax increase. Councilman Gates stated he would not be voting to approve the City Manager's Proposed Budget.

Councilman DiCiccio made comments about the recent transit tax and water rate increase. Councilman DiCiccio discussed the public feedback he received related to body cameras. He stated the public feedback supported using funds to hire additional officers.

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Councilman DiCiccio asked if the proposed property tax increase would fund bonds that have already been issued. Ms. Olson answered yes. Councilman DiCiccio asked if the current bond rates could increase. Ms. Olson responded the budget forecast assumes the bond rates would be lowered through refinancing.

Councilman DiCiccio referenced a letter from the Arizona Tax Research Association concerning compliance with state law on reserve fund balances. Mr. Zuercher responded the Bond Council has advised the reserve fund is legal, adding staff would review the Arizona Tax Research Association letter referenced.

Councilman DiCiccio requested documentation on reserve fund levels required by the bond agencies for a city to maintain a positive credit rating. Ms. Olson responded reserve funds are an assurance for bond holders a city is able to fulfill debts.

Councilman DiCiccio stated to ensure budget sustainability a strategic plan is needed. He stated the development of a strategic plan would allow the City to determine if providing services through a third party would produce savings. Councilman DiCiccio stated a strategic plan would identify options to balance the budget without increasing taxes.

Councilman Nowakowski made comments on the public feedback received concerning support for hiring additional police officers, extending library hours, increasing homeless services, and the addition of youth programs.

Councilman Nowakowski expressed concern about funding body cameras before creating an implementation guideline. He requested a report of the body camera policies and procedures to ensure best practices and accountability. Councilman Nowakowski stated police officers mental and physical well-being should be addressed. He expressed support for hiring additional police officers and to continue culture sensitivity training.

Councilman Nowakowski thanked staff for their dedication and hard work on the proposed budget.

Vice Mayor Gallego thanked citizens and staff for their participation during the budget process. Vice Mayor Gallego discussed the need to invest in and provide opportunities for youth. Vice Mayor Gallego made comments on the issue of air quality, adding air quality is a health concern in the community. She stated investments in public art should be equitable across all districts. She expressed concern over the practice of allocating resources based on complaints.

Vice Mayor Gallego made comments on the administrative challenges related to implementing body cameras. She asked if funds allocated to body cameras could be

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reinvested if newer technology produced a cost savings. Mr. Zuercher answered yes, adding funds could be invested into providing community services.

Vice Mayor Gallego clarified the City Council would vote on the proposed property tax increase on July 1. Mr. Zuercher agreed. Vice Mayor Gallego stated the practice of discussing revenue after expenditures should be reviewed. She discussed the importance of ongoing research to find possibilities to reduce expenditures. She stated the City should be more fiscally responsible in the contributions to spending on regional projects like sports facilities. Vice Mayor Gallego stated collaboration between the State, County, and City is needed to address regional issues such as homelessness.

Councilwoman Pastor agreed with Vice Mayor Gallego that the practice of discussing revenue after expenditures should be reviewed. Councilwoman Pastor requested research on parking meters needs near ASU. She discussed police response times, adding response times need to be equitable across all districts. Councilwoman Pastor expressed support for body cameras implementation. She stated the community implementation timeline needs to be communicated with the community. Councilwoman Pastor discussed the proposed property tax increase. She stated the property tax increase has been an ongoing conversation since 2010.

Councilwoman Pastor asked when General Fund services would be reduced if a property tax increase was not approved. Mayor Stanton responded the City Council would be responsible for deciding service reductions, which would be in effect immediately.

Councilman Valenzuela expressed support for the City Manager's Proposed Budget. He stated the proposed budget increases public safety and the quality of life in the community. He discussed the additional services proposed in the budget including, hiring of first responders, restoration of employee concessions, expansion of the body camera program, and additional youth and veterans services. Councilman Valenzuela made comments in regards to the transparent and inclusive budget process, which supported community participation.

Councilman Waring asked if labor agreements were approved based on the assumptions of the proposed budget. Mr. Zuercher responded the City Charter and State law have conflicting dates on when legal actions have to be adopted. He noted the City Council has the authority to oppose the proposed budget. Councilman Waring asked if service reductions would be needed if the proposed property tax increase was not approved. Mr. Zuercher responded yes, adding the proposed budget assumes a property tax increase.

Councilman DiCiccio stated the proposed budget assumes a property tax increase. Mr. Zuercher responded the proposed budget assumes a property tax increase as a

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revenue source to address debt service obligations. Councilman DiCiccio expressed concern about increasing property taxes as a revenue.

Councilman DiCiccio made comments addressing the budget and property tax increase approval timeline.

Mayor Stanton stated he supports the City Manager's Proposed Budget. He stated the proposed budget demonstrates fiscal responsibility and protects the City's positive credit rating. He discussed the youth programs, veterans' services, public art restoration, and community services supported by the budget. Mayor Stanton stated the budget addresses public safety needs through restoring employee concessions, the hiring of a mental health professional, implementing body cameras and the ePCR system.

Councilwoman Williams made a motion to approve the 2016-17 City Manager's Proposed Budget. Councilwoman Pastor seconded the motion, which passed 6 to 3. Councilmembers DiCiccio, Gates, and Waring voted in opposition.

5:00 P.M. – ADJOURNMENT

Action Taken:

Mayor Stanton adjourned the meeting at 5:25 p.m.

For further information, please call the Management Intern, City Manager's Office, at 602-262-4449.

For reasonable accommodations, call the Management Intern at Voice/602-262-4449 or TTY/602-534-5500 as early as possible to coordinate needed arrangements.

Si necesita traducción en español, por favor llame a la oficina del gerente de la Ciudad de Phoenix, 602-262-4449 tres días antes de la fecha de la junta.

PHOENIX CITY COUNCIL MEMBERS

Councilman DiCiccio
Vice Mayor Gallego
Councilman Gates
Councilman Nowakowski
Councilwoman Pastor
Councilman Valenzuela
Councilman Waring
Councilwoman Williams
Mayor Stanton